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APPENDIX B

Liberty Apple Valley-Irrigation Summary of Earnings,
Ratebase, Taxes, Quantities, Bill Comparison

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LIBERTY APPLE VALLEY - Irrigation
SUMMARY OF EARNINGS - Test Year 2022-2023
(Dollars in Thousands)

| | PRESENT RATES | ADOPTED RATES |
|--------------------------|---------------|---------------|
| OPERATING REVENUES | \$194.6 | \$275.8 |
| DEFERRED REVENUES | \$0.0 | \$0.0 |
| MISCELLANEOUS REVENUE | \$0.0 | \$0.0 |
| TOTAL REVENUES | \$194.6 | \$275.8 |
| % Change | | 41.7% |
| OPERATIONS & MAINTENANCE | | |
| PAYROLL-OPERATIONS | \$28.0 | \$28.0 |
| OPERATIONS-OTHER | \$0.0 | \$0.0 |
| PURCHASED WATER | \$0.0 | \$0.0 |
| PURCHASED POWER | \$162.2 | \$162.2 |
| LEASED WATER RIGHTS | \$0.0 | \$0.0 |
| REPLENISHMENT | \$4.5 | \$4.5 |
| CUSTOMERS-OTHER | \$0.0 | \$0.0 |
| UNCOLLECTIBLES | \$0.0 | \$0.0 |
| PAYROLL-MAINTENANCE | \$0.0 | \$0.0 |
| MAINTENANCE-OTHER | \$0.7 | \$0.7 |
| CLEARINGS-OTHER | \$2.2 | \$2.2 |
| SUB-TOTAL O & M | \$197.6 | \$197.6 |
| ADMINISTRATIVE & GENERAL | | |
| A & G PAYROLL | \$0.0 | \$0.0 |
| EMPLOYEE BENEFITS | \$28.4 | \$28.4 |
| INSURANCE | \$1.1 | \$1.1 |
| REG. COMM. EXPENSE | \$0.0 | \$0.0 |
| FRANCHISE REQUIREMENTS | \$0.0 | \$0.0 |
| OUTSIDE SERVICES | \$0.2 | \$0.2 |
| A & G - OTHER | \$0.0 | \$0.0 |
| A & G TRANSFERRED CREDIT | -\$14.5 | -\$14.5 |
| ALLOCATIONS | \$6.8 | \$6.8 |
| SUB-TOTAL A & G | \$22.0 | \$22.0 |
| OTHER TAXES | | |
| PROPERTY TAXES | \$2.3 | \$2.3 |
| PAYROLL TAXES | \$5.2 | \$5.2 |
| SUB-TOTAL OTHER TAXES | \$7.6 | \$7.6 |
| DEPRECIATION | \$19.9 | \$19.9 |
| CA INCOME TAXES | -\$5.2 | \$2.0 |
| FEDERAL INCOME TAXES | -\$14.4 | \$2.7 |
| TOTAL EXPENSES | \$227.5 | \$251.8 |
| NET REVENUE | -\$32.9 | \$24.0 |
| TOTAL RATE BASE | \$327.2 | \$327.2 |
| RATE OF RETURN | -10.06% | 7.35% |

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LIBERTY APPLE VALLEY - Irrigation
RATEBASE
(Dollars in Thousands)

| | <u>2022-2023</u> | <u>2023-2024</u> |
|--|------------------|------------------|
| PLANT IN SERVICE | \$677.0 | \$834.1 |
| WORK IN PROGRESS | \$0.0 | \$0.0 |
| MATERIALS & SUPPLIES | \$0.0 | \$0.0 |
| WORKING CASH | <u>\$3.6</u> | <u>\$3.6</u> |
| SUBTOTAL | \$680.6 | \$837.7 |
| LESS: | | |
| DEPRECIATION RESERVE | \$267.2 | \$156.4 |
| ADVANCES | \$0.0 | \$0.0 |
| CONTRIBUTIONS | \$32.5 | \$31.3 |
| UNAMORTIZED ITC | \$0.0 | \$0.0 |
| UNAMORTIZED EXCESS DEFERRED INCOME TAX | \$34.7 | \$33.3 |
| DEFERRED INCOME TAX | <u>\$27.7</u> | <u>\$28.6</u> |
| SUBTOTAL | \$362.1 | \$249.6 |
| PLUS: | | |
| METHOD 5 ADJUSTMENT | \$0 | \$0 |
| RESOURCES ADJUSTMENT | | |
| NET DISTRICT RATE BASE | \$318.5 | \$588.1 |
| GENERAL OFFICE ALLOCATION | \$8.7 | \$15.3 |
| TOTAL RATE BASE | \$327.2 | \$603.4 |

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LIBERTY APPLE VALLEY - Irrigation
INCOME TAX CALCULATION - Test Year 2022-2023
(Dollars in Thousands)

| | <u>PRESENT RATES</u> | <u>ADOPTED RATES</u> |
|------------------------------|----------------------|----------------------|
| OPERATING REVENUES | \$194.6 | \$275.8 |
| EXPENSE | | |
| OPERATIONS & MAINTENANCE | \$197.6 | \$197.6 |
| UNCOLLECTIBLES | \$0.0 | \$0.0 |
| ADMINISTRATIVE & GENERAL | \$22.0 | \$22.0 |
| FRANCHISE REQUIREMENTS | \$0.0 | \$0.0 |
| PROPERTY TAXES | \$2.3 | \$2.3 |
| PAYROLL TAXES | \$5.2 | \$5.2 |
| MEALS ADJUSTMENT | \$0.0 | \$0.0 |
| TOTAL | <u>\$227.2</u> | <u>\$227.2</u> |
| INCOME BEFORE TAXES | -\$32.6 | \$48.6 |
| CA CORP-FRANCHISE TAX (CCFT) | | |
| CA TAX DEPRECIATION | \$19.9 | \$19.9 |
| INTEREST | \$6.6 | \$6.6 |
| TOTAL | <u>\$26.6</u> | <u>\$26.6</u> |
| TAXABLE INCOME FOR CCFT | -\$59.1 | \$22.1 |
| CCFT RATE | <u>8.84%</u> | <u>8.84%</u> |
| CALIFORNIA INCOME TAX | -\$5.2 | \$2.0 |
| FEDERAL INCOME TAX | | |
| FED. TAX DEPRECIATION | \$19.9 | \$19.9 |
| CA TAX | \$2.5 | \$2.5 |
| INTEREST | \$6.6 | \$6.6 |
| QUALIFIED PROD. DEDUCTION | \$0.0 | \$0.0 |
| TOTAL | <u>\$29.0</u> | <u>\$29.0</u> |
| FIT TAXABLE INCOME | -\$61.6 | \$19.6 |
| FIT RATE | <u>21.00%</u> | <u>21.00%</u> |
| FEDERAL INCOME TAX | -\$12.9 | \$4.1 |
| EXCESS ADIT | \$1.4 | \$1.4 |
| NET FEDERAL INCOME TAX | -\$14.4 | \$2.7 |

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LIBERTY APPLE VALLEY - Irrigation
ADOPTED QUANTITIES

| | |
|-------------------------|---------|
| NET-TO-GROSS MULTIPLIER | 1.42531 |
| UNCOLLECTIBLE RATE | 0.00% |
| FRANCHISE FEE | 0.00% |

| (Units in Acre-Foot) | | 2022-2023 | 2023-2024 | 2024-2025 |
|--------------------------------|--------|----------------|----------------|----------------|
| WATER PRODUCTION | | | | |
| Potable Water Sales | | 1,096.1 | 1,096.1 | 1,096.1 |
| Unaccounted Water | 76.71% | <u>3,609.5</u> | <u>3,609.5</u> | <u>3,609.5</u> |
| Total Potable Production | | 4,705.6 | 4,705.6 | 4,705.6 |
| Pumped Water | | 4,705.6 | 4,705.6 | 4,705.6 |
| REPLENISHMENT CHARGES | | | | |
| Admin. & Biological Assessment | | 4,705.6 | 4,705.6 | 4,705.6 |
| Cost per AF | | <u>\$0.96</u> | <u>\$0.96</u> | <u>\$0.96</u> |
| Total Replenishment Cost | | \$4,517 | \$4,517 | \$4,517 |
| PURCHASED POWER | | | | |
| Total Production | | 4,705.6 | 4,705.6 | 4,705.6 |
| Cost per AF | | <u>\$34.48</u> | <u>\$34.48</u> | <u>\$34.48</u> |
| Total Cost | | \$162,229 | \$162,229 | \$162,229 |

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LIBERTY APPLE VALLEY - Irrigation
CUSTOMERS & SALES

| | | <u>2022-2023</u> | <u>2023-2024</u> | <u>2024-2025</u> |
|----------------------|----------------------------|------------------|------------------|------------------|
| NUMBER OF CUSTOMERS | | | | |
| Irrigation - Gravity | | 1 | 1 | 1 |
| METER SALES (CCF) | Avg Usage (CCF/Cust/Mo) | | | |
| Residential | 39,788 | 477,459 | 477,459 | 477,459 |

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LIBERTY APPLE VALLEY - Irrigation
MONTHLY RESIDENTIAL BILL COMPARISON
Schedule No. PR-1-R - 5/8" Meter

| <u>Usage (CCF)</u> | <u>Present Rates</u> | <u>Adopted Rates</u> | <u>Amount Change</u> | <u>Percent Change</u> |
|--------------------|--------------------------|--------------------------|--------------------------|---------------------------|
| 39,788 | \$16,219 | \$22,968 | \$6,749 | 41.6% |

Excludes any applicable fees, surcharges, or surcredits

(END OF APPENDIX B)